

November 28, 2018

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Jeff Aluotto
Hamilton County Administrator
County Administration Building
138 E. Court Street, Room 603
Cincinnati, Ohio 45202

Honorable Commissioners:

Attached for your consideration are resolutions to facilitate adoption of the Metropolitan Sewer District of Greater Cincinnati's ("MSD") 2019-2023 Capital Improvement Program (CIP). On December 5 and December 19, 2018, the Board of County Commissioners of Hamilton County, Ohio will hold public hearings on the 2019-2023 MSD CIP.

The 2019 capital budget request includes spending for both mandated Consent Decree and Asset Management improvement projects that are required for infrastructure renewal and continued assurance of regulatory compliance. Consent Decree projects are indicated as Wet Weather Improvement Plan (WWIP) projects in the CIP book. Within the listed WWIP projects in the 2019 capital budget request, there are a subset of projects known and 'Bridge' projects that will be constructed and designed according to the schedule approved by regulators.

MSD's total recommended CIP budget for 2019 is **\$133,998,284** for **56** projects. Of this amount, approximately 49% is budgeted for WWIP spending and approximately 43% is budgeted for Asset Management spending. Approximately 8%, or \$10 million, of the total amount is budgeted for 2019 Programmatic Contingency as there is no contingency within individual project budgets. The 2019 capital program also includes funding for various allowances that permit on-going critical maintenance work to proceed upon budget adoption. The total recommended 2019 capital budget represents a 3.4% increase over the 2018 approved capital budget.

The 2019 CIP budget book contains both **EXHIBIT A**, funding planning, project design, and project easement acquisition, and **EXHIBIT B**, funding construction activities that are either essential to the continuous operation of MSD, or address wastewater system asset stabilizations, or asset maintenance.

The CIP budget book's out-year projects and associated funding projections (2020 – 2023) are subject to change based on ongoing engineering efforts, affordability considerations, and Consent Decree Phase 2A negotiations. Please note that these out-years include projects that satisfy the schedule and scope of both the City's and County's Phase 2A proposals as submitted to regulators earlier in 2018.

...continued

November 26, 2018

Page 2

Out of the 56 projects on the 2019 CIP, MSD requests County Commissioner action on 32 through this legislation. The City of Cincinnati and MSD requests the County Commissioners to consider, approve, and appropriate a total of **\$66,877,407.00** for the following actions:

- (1) Approve, in general, the submitted 2019-2023 MSD CIP; and
- (2) Order the commencement of planning, design, and easement acquisition activities for **24** projects contained in the 2019 MSD CIP's **Exhibit A** and appropriate **\$28,577,407.00** of the above-referenced \$66.9M for the same; and
- (3) Take all actions necessary for **seven** allowance (construction) projects contained in the 2019 MSD CIP's **Exhibit B** and appropriate **\$28,300,000.00** of the above-referenced \$66.9M for the same.
- (4) Approve the use of MSD 2019 Programmatic Contingency and appropriate **\$10,000,000** of the above-referenced \$66.9M for the same.

The remaining 24 projects in the 2019 MSD CIP will be presented to Commissioners when they are ready to be considered and legislated for construction.

Finally, MSD notes for the Commissioners that this 2019 CIP budget is predicated upon Project ID 10270008, Dry Run Area Sewers, Phase 1, Contract 8 M and Project ID 10130042, Upper Muddy Creek Interceptor (UMCI) Replacement, Phase B, already submitted to the County for consideration, will be approved by the Commissioners in December 2018. Should the Commissioners choose not to approve these two projects, MSD's 2019 capital budget recommendation will increase by more than \$15 million, plus contingency.

RECOMMENDED:

Approved:

Diana R. Christy
Interim Director, MSD

Patrick A. Duhaney
Acting City Manager

Provided to Hamilton County on _____.

Reviewed by _____, and recommended by County Administration.

On motion of _____, seconded by _____, the following resolutions were adopted....

MSD RESOLUTION

APPROVING AND ADOPTING THE
2019-2023 CAPITAL IMPROVEMENT PROGRAM
FOR THE
THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI,
HAMILTON COUNTY, OHIO,

AND APPROPRIATING FUNDS THEREFOR

WHEREAS, the Interim Director of the Metropolitan Sewer District of Greater Cincinnati (“MSD”) is required to annually submit to the Board of County Commissioners of Hamilton County, Ohio (the “Board”) a Capital Improvement Program (“CIP”) and has done so for the program years 2019-2023; and

WHEREAS, after legal advertisement, this Board will conduct public hearings on December 5 and December 19, 2018 regarding the 2019-2023 MSD CIP, at which hearings all persons desiring to ask questions and make statements were afforded such opportunity; and

WHEREAS, this Board did, on _____, conclude said public hearings on said 2019-2023 MSD CIP; and

WHEREAS, this Board of County Commissioners has reviewed said 2019-2023 MSD CIP; and

WHEREAS, by approving this 2019-2023 MSD CIP, the Board is **specifically** authorizing the preparation of detailed plans, specifications, estimates of cost, and/or other relevant documents for the 24 projects and allowances contained and outlined in **Exhibit A**, attached hereto, and by reference made a part hereof; and

WHEREAS, by approving this 2019-2023 MSD CIP, the Board is **specifically** approving the detailed plans, specifications and/or other relevant documents, and estimates of cost for the seven WWIP and Asset Management Allowance projects contained and outlined in **Exhibit B**, which are attached hereto, and by reference made a part hereof; and

WHEREAS, by approving this 2019-2023 MSD CIP, the Board is **specifically** approving the use of Programmatic Contingency to cover needed contingency for all projects legislated, consistent with the requirements of Section 2405-2(A)(3), “Contingency” of the RULES AND REGULATIONS GOVERNING THE DESIGN, CONSTRUCTION, MAINTENANCE, OPERATION AND USE OF SANITARY AND COMBINED SEWERS for MSD (“MSD Rules and Regulations”); and

WHEREAS, by approving this 2019-2023 MSD CIP the Board is requiring that any project contained in **Exhibit A**, when ordered to be constructed, to have specific authorization and appropriation of funds through legislation passed by the Board; and

WHEREAS, MSD uses best professional judgment and industry standards with regards to project planning, design construction, and performance evaluation (post construction monitoring); and

WHEREAS, the respective Project[s'] and Allowance[s'] activities as contained in **Exhibit A, Exhibit B**, or funds for use as Programmatic Contingency, are for the purpose of acquiring, constructing, and improving capital assets to be used in the operation and maintenance of the MSD, as operated by this Board under Chapter 6117 Revised Code of Ohio and in compliance with Section 133.01(Z) R.C.; and

WHEREAS, it has been determined sufficient unappropriated funds are available for use by the Metropolitan Sewer District to temporarily finance construction costs prior to the issuance of long-term revenue bonds.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Hamilton County, Ohio, that the 2019-2023 Capital Improvement Program of the Metropolitan Sewer District of Greater Cincinnati for the period of January 1, 2018 – December 31, 2018, which is inclusive of **Exhibits A, and B**, and for use as Programmatic Contingency be and hereby is approved and adopted.

BE IT FURTHER RESOLVED that:

1. The sum of sixty-six million, eight hundred seventy-seven thousand, four hundred seven dollars (\$66,877,407.00) currently existing in unappropriated funds available for use by the Metropolitan Sewer District in Capital Improvement Fund 704 maintained by the City of Cincinnati, and the Surplus Account held at US Bank is hereby appropriated to pay costs for planning, design, easement acquisition, and/or other related pre-construction activity costs incurred in connection with the 2019-2023 MSD CIP as outlined in **Exhibit A**, the construction costs of projects as identified in **Exhibit B**, and for Programmatic Contingency.
2. Of the \$66,877,407 being appropriated, \$28,577,407.00 is to be used for either (a) planning activities and studies; (b) the preparation of detailed project plans, specifications, cost estimate; (c) project easement acquisition; or (d) a combination of only these project activities for 24 projects contained in and outlined in **Exhibit A**.
3. Of the \$66,877,407 being appropriated, \$28,300,000.00 is to be used for construction activities of only the seven items contained in and outlined in **Exhibit B**.
4. Of the \$66,877,407 being appropriated, \$10,000,000.00 is for use for MSD Programmatic Contingency as per the requirements of 2405-2(A)(3), "Contingency" of the MSD Rules and Regulations.

BE IT FURTHER RESOLVED that:

SECTION 1. Hamilton County, Ohio (the "County") may be expected to pay and/or incur costs with respect to the Project ("Prior Capital Expenditures") on or after the date of this resolution and prior to the issuance of the obligations (the "Obligations") which will finance the projects defined in **Exhibits A, B**, and for Programmatic Contingency.

SECTION 2. The Board of County Commissioners hereby approves the use of the Obligations in the maximum principal amount of sixty-six million, eight hundred seventy-seven thousand, four hundred seven dollars (\$66,877,407.00) to finance the costs of the Projects contained in **Exhibits A, B**, and for Programmatic Contingency, and declares its intent that any Prior Capital Expenditures made by the County will be made in anticipation of the issuance of such Obligations to reimburse said prior Capital Expenditures. This declaration is made pursuant to Treas. Reg. Section 1.150-2 or any successor thereto.

SECTION 3. The County Administrator, the Interim Director of the Metropolitan Sewer District, the Director of Finance of the City of Cincinnati, the County Auditor and/or US Bank, N.A., as Trustee, each as applicable, are hereby authorized and directed to reimburse, not later than 18 months after the later of (i) the date the original expenditure was paid or (ii) the date the item was placed in service, only those Prior Capital Expenditures from Projects contained in **Exhibits A, B**, and Programmatic Contingency and made with respect to assets having a reasonably expected economic life of at least one year, and, in addition, eligible preliminary expenditures paid and incurred in connection with the Project from the Revenue Fund, Replacement and Improvement Account and/or the Surplus Account.

SECTION 4. The Board of County Commissioners finds and determines that, consistent with the County's budgetary and financial circumstances, it does not have funds currently available and does not expect to have funds available in the future that may be allocated on a long-term basis, other than the proceeds of the Obligations, to finance the Prior Capital Expenditures from Projects contained in **Exhibits A, B**, and for Programmatic Contingency.

SECTION 5. The Board of County Commissioners hereby directs the County Administrator, the Interim Director of the Metropolitan Sewer District, the Director of Finance of the City of Cincinnati, the County Auditor and/or US Bank, N.A., as Trustee, each as applicable, to take the following action at the time the Prior Capital Expenditures from Projects contained in **Exhibits A, B**, and for Programmatic Contingency are reimbursed from proceeds of the Obligations only if said reimbursement relieves the proceeds used for reimbursement from any restrictions imposed by both legal documents under which the Obligations were issued and applicable state law: (1) evidence the reimbursement on the books and records maintained with respect to the Obligations, and (2) identify either the actual prior expenditure to be reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid.

SECTION 6. The books, records and proceedings of the County with respect to this resolution shall be made reasonably available by the County, for inspection by the general public at the County's administrative office every business day during normal business hours commencing no later than 30 days after the passage of this resolution. Said books, records and proceedings of the County with respect to this resolution will continue to be reasonably available to the general public until the date of issuance of the Obligations.

BE IT FURTHER RESOLVED, that the Board is requiring that any project contained in the 2019 CIP, exclusive of and WWIP or AM Allowances listed in **Exhibit B**, when ordered constructed, have specific authorization and appropriation of funds through legislation passed by this Board.

BE IT FURTHER RESOLVED, that for the purposes of providing continuity of service, any project begun under the 2018 MSD CIPs EXHIBIT B suite of capital funding (for Project IDs 10180118 Main Sewer Renewal Program 2018; 10180218 Manhole Renewal Program 2018; 10190418 Home Sewage Treatment System Eliminations 2018; 10280318 Emergency Sewer Repairs 2018; 10280518 WWC High Risk Asset Renewal 2018; 10280608 Building Sewer Renewal Program 2018; and 10280718 Critical Asset Management Projects 2018) are hereby allowed to utilize their 2018 funding during 2019, notwithstanding the requirements of Section 2405-3 (A)(1) of the MSD Rules and Regulations.

BE IT FURTHER RESOLVED, that the 2019-2023 CIP budget book's out-year projects and associated funding projections (2020 – 2023) are subject to change based on ongoing engineering efforts, affordability considerations, and Consent Decree Phase 2A negotiations. Please note that these out-years include projects that satisfy the schedule and scope of both the City's and County's Phase 2A proposals as submitted to regulators earlier in 2018.

BE IT FURTHER RESOLVED, that the Clerk of this Board be and hereby is directed to certify copies of this resolution to Jeff Aluotto, Hamilton County Administrator; Patrick A. Duhaney, Acting Cincinnati City Manager; and Diana R. Christy, Interim Director, MSD.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners, and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County,

Ohio, this _____ day of _____, 2018

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

OFFICE OF THE DIRECTOR
THE METROPOLITAN SEWER DISTRICT
OF GREATER CINCINNATI

November 26, 2018

2019 CAPITAL IMPROVEMENT PROGRAM
EXHIBIT B

THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

Honorable Board of County Commissioners
Hamilton County, Ohio

I herewith certify for your approval the detailed plans, specifications, estimate of cost, and/or other relevant documents for the sanitary sewer projects contained in the 2019 Capital Improvement Program's **Exhibit B**, attached hereto and by reference made a part thereof, in the Metropolitan Sewer District of Greater Cincinnati.

Accompanying this certification and contained in **Exhibit B**, attached hereto and by reference made a part thereof, is an itemized listing of the costs of these improvements. I further certify that the detailed plans, specifications, estimates of cost, and/or other relevant documents have remained open to inspection of all persons interested in such improvements.

Respectfully submitted,

Patrick Arnette, P.E.
Deputy Director, MSD
City of Cincinnati Department of Sewers
Hamilton County Sanitary Engineer
(for the purposes of the Metropolitan Sewer District of Greater Cincinnati
as authorized in the Resolution of February 28, 2007,
Comm. Minutes, Vol. 305, Images 4190 - 4191)

MSD RESOLUTION

AUTHORIZING THE PREPARATION OF DETAILED PLANS, SPECIFICATIONS,
ESTIMATES OF COST, AND/OR OTHER RELEVANT DOCUMENTS
2019-2023 CAPITAL IMPROVEMENT PROGRAM

THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

WHEREAS, the Board of County Commissioners of Hamilton County, Ohio (the "Board") did, by resolution adopted on a date even herewith, approve the 2019-2023 Capital Improvement Program ("CIP") for the Metropolitan Sewer District of Greater Cincinnati ("MSD"); and

WHEREAS, the Board wishes to proceed with the completion of detailed plans, specifications, other relevant documents, cost estimates, right-of-way activities, administrative and other miscellaneous activities associated with and necessary to the projects contained in **Exhibit A** located in the MSD, attached hereto and by this reference incorporated herein; and

NOW, THEREFORE, BE IT RESOLVED, by this Board of County Commissioners of Hamilton County, Ohio, that the Director of the Metropolitan Sewer District of Greater Cincinnati be, and he is hereby authorized and directed to complete preparation and submit forthwith, for the consideration and approval of this Board, detail plans, specifications, estimate of cost, and/or other relevant documents for projects contained in **Exhibit A**.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this _____ day of _____, 2018.

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

MSD RESOLUTION

APPROVING THE
DETAILED PLANS, SPECIFICATIONS,
ESTIMATES OF COST, AND/OR OTHER RELEVANT DOCUMENTS

2019 CAPITAL IMPROVEMENT PROGRAM
EXHIBIT B

THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

WHEREAS, the Board of County Commissioners of Hamilton County, Ohio (the "Board") did, by resolution adopted on a date even herewith, approve the 2019 - 2023 Capital Improvement Program ("CIP") for the Metropolitan Sewer District of Greater Cincinnati ("MSD"); and

WHEREAS, the said detailed plans, specifications, estimate of cost, and/or other relevant documents for the 2018 MSD CIP, **Exhibit B**, which is a part of the approved 2019-2023 MSD CIP, have been presented to this Board by the Hamilton County Sanitary Engineer (for the purposes of the Metropolitan Sewer District of Greater Cincinnati as authorized in the Resolution of February 28, 2007, Comm. Minutes, Vol. 305, Images 4190 - 4191), with his recommendation for approval by this Board.

WHEREAS, said projects as contained in **Exhibit B** are for the purpose of acquiring, constructing, and improving capital assets to be used in the operation and maintenance of the MSD, as operated by this Board under Chapter 6117 Revised Code of Ohio and in compliance with Section 133.01(Z) R.C.

NOW, THEREFORE, BE IT RESOLVED, by this Board of County Commissioners of Hamilton County, Ohio, that the aforesaid detailed plans, specifications estimate of cost, and/or other relevant documents for the sanitary sewer projects contained in **Exhibit B** be, and the same are, hereby approved by this Board of County Commissioners.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County,

Ohio, this _____ day of _____, 2018.

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

MSD RESOLUTION

DECLARING THE NECESSITY TO CONSTRUCT
SEWER PROJECTS IDENTIFIED IN
EXHIBIT B
2019 CAPITAL IMPROVEMENT PLAN

THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI
HAMILTON, COUNTY, OHIO

AND DETERMINING TO PROCEED WITH THE IMPROVEMENTS

WHEREAS, this Board of County Commissioners of Hamilton County, Ohio has heretofore approved a General Plan for the construction, maintenance, and operation of a sanitary sewer system in the Metropolitan Sewer District of Greater Cincinnati, Hamilton County, Ohio (the "Metropolitan Sewer District"); and

WHEREAS, the Board of County Commissioners of Hamilton County, Ohio did approve, on a date even herewith the detailed plans, specifications, estimates of cost, and/or other relevant documents for the sanitary sewer projects as contained in **Exhibit B**, which is a part of the approved 2019-2023 MSD CIP; and

WHEREAS, said projects as contained in **Exhibit B** are for the purpose of acquiring, constructing, and improving capital assets to be used in the operation and maintenance of the MSD, as operated by this Board under Chapter 6117 Revised Code of Ohio and in compliance with Section 133.01(Z) R.C.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Hamilton County:

SECTION 1. That it is hereby declared necessary for the preservation and promotion of the public health and welfare to proceed with the construction of the sanitary sewer projects contained in **Exhibit B**.

SECTION 2. That the construction of the projects contained in **Exhibit B**, together with the necessary appurtenances thereto, shall be in accordance with the General Plan of sewerage of the Metropolitan Sewer District of Greater Cincinnati.

SECTION 3. The total estimated cost of construction, including engineering and incidental expenses, is more fully described in **Exhibit B**.

SECTION 4. That to provide a means to pay for the said improvements contained in **Exhibit B**, bonds and certificates of indebtedness in anticipation thereof may be issued in accordance with Chapters 6117 and 133 of the Ohio Revised Code which will be retired from unencumbered sewerage service charge revenues of the Metropolitan Sewer District. No part of the cost of the said improvements shall be assessed against the benefited properties.

SECTION 5. That said projects as contained in **Exhibit B**, together with the necessary appurtenances thereto, shall be located as more fully described under the "EXPLANATION/DESCRIPTION" and the "LOCATION" columns of each project in said Exhibit and of the materials set forth in the approved detailed plans, specifications, and/or other relevant documents.

BE IT FURTHER RESOLVED, that said projects as contained in **Exhibit B** in the Metropolitan Sewer District, be and the same is hereby ordered to be constructed in accordance with the detailed plans, specifications, and/or other relevant documents heretofore adopted and approved by this Board, which hereby ratifies the same.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this _____ day of _____, 2018.

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

MSD RESOLUTION

AUTHORIZING THE CITY MANAGER
TO ADVERTISE FOR BIDS

WHEREAS, on a date even herewith this Board of County Commissioners of Hamilton County, Ohio, determined to proceed with the construction of projects as contained in **Exhibit B**, which is a part of the approved 2019-2023 Capital Improvement Program for the Metropolitan Sewer District of Greater Cincinnati ("MSD"), in accordance with the detailed plans, specifications, estimate of cost, and/or other relevant documents, heretofore approved and ratified; and

WHEREAS, said projects as contained in **Exhibit B** are for the purpose of acquiring, constructing, and improving capital assets to be used in the operation and maintenance of the MSD, as operated by this Board under Chapter 6117 Revised Code of Ohio and in compliance with Section 133.01(Z) R.C.

WHEREAS, it is deemed advisable to proceed at once with the next legislative step required by law, which is the offering of said contract for competitive bidding.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hamilton County, Ohio, that the City Manager of Cincinnati, Ohio, is hereby authorized to proceed at once, at the earliest possible time, in accordance with the pertinent competitive bidding procedures and requirements, to advertise the contract for said projects as contained in **Exhibit B**, in the Metropolitan Sewer District of Greater Cincinnati.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this

_____ day of _____, 2018.

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of resolutions adopted by the Board of County Commissioners in session the _____ day of _____, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners of Hamilton County, Ohio, this _____ day of _____, 2018.

Jacqueline Panioto, Clerk
Board of County Commissioners
Hamilton County, Ohio

MSD Legislative Fact Sheet

Diana R. Christy
Interim Director

METROPOLITAN
SEWER DISTRICT
of greater
CINCINNATI



NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES
EXCELLENCE IN
Management
AWARD

11/26/2018

PROJECT IDENTIFIERS: 2019-2023 CAPITAL IMPROVEMENT PROGRAM

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

LEGISLATIVE ACTION REQUESTED:

DESIGN¹ ADD'L DESIGN² EASEMENT OR REAL PROPERTY APPROPRIATION³ CONSTRUCTION⁴

ADD'L CONST⁵ AMEND CIP⁶

OTHER⁷: Resolutions 1) approving the 2019-2023 MSD CIP and authorizing the preparation of detailed plans, specifications, and estimates of costs, and appropriating funds for the 2019 MSD CIP's Exhibit A's 24 projects; 2) enabling the construction of the 2019 MSD CIP's Exhibit B's seven projects by approving detailed plans, specifications, estimates of costs, and/or other relevant documents, declaring project necessity and determining to proceed, appropriating funds, and authorizing advertisement and bidding; and (3) approving and appropriating funds for 2019 Programmatic Contingency.

PROJECT TYPE:

PROJECT GROUNDWORK / WWIP

PG / WWIP Activity ID: various

PG / WWIP Milestone Dates: various

PROJECT GROUNDWORK / ASSET MANAGEMENT SUSTAINABLE INFRASTRUCTURE

OTHER: Assessment sewers

APPROPRIATION REQUESTED:

\$66,877,407.00

PROJECT PURPOSE:

The 2019 capital budget request includes spending for both mandated Consent Decree and Asset Management improvement projects that are required for infrastructure renewal and continued assurance of regulatory compliance. Consent Decree projects are indicated as Wet Weather Improvement Plan (WWIP) projects in the CIP book. Within the listed WWIP projects in the 2019 capital budget request, there are a subset of projects known and 'Bridge' projects that will be constructed and designed according to the schedule approved by regulators.

MSD's total recommended CIP budget for 2019 is **\$133,998,284.00** for **56** projects. Of this amount, approximately 49% is budgeted for WWIP spending and approximately 43% is budgeted for Asset Management spending.

1. **Design** = 1 resolution - authorizing preparation of detailed plans, specifications, and estimate of cost and appropriating funds for the same.
2. **Add'l Design** = 1 resolution - appropriating additional funds for design.
3. **Easement /Real Property Appropriation** = 3 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating easements or full fee takes.
4. **Construction** = 4 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating funds for construction; authorizing project advertisement & bid.
5. **Add'l Construction** = 3 resolutions - amending approved detailed plans, specifications and estimate of cost; amending project necessity and proceed resolutions; appropriating add'l funds for construction.
6. **Amend CIP** = 1 resolution - adding proposed project to program year Capital Improvement Plan.
7. **Other** = Resolutions not covered above. Purpose is listed.

PROJECT PURPOSE (cont):

Approximately 8%, or \$10 million, of the total amount is budgeted for 2019 Programmatic Contingency as there is no contingency within individual project budgets. The 2019 capital program also includes funding for various allowances that permit on-going critical maintenance work to proceed upon budget adoption. The total recommended 2019 capital budget represents a 3.4% increase over the 2018 approved capital budget.

The 2019 CIP budget book contains both EXHIBIT A, funding planning, project design, and project easement acquisition, and EXHIBIT B, funding construction activities that are either essential to the continuous operation of MSD, or address wastewater system asset stabilizations, or asset maintenance.

The CIP budget book’s out-year projects and associated funding projections (2020 – 2023) are subject to change based on ongoing engineering efforts, affordability considerations, and Consent Decree Phase 2A negotiations. Please note that these out-years include projects that satisfy the schedule and scope of both the City’s and County’s Phase 2A proposals as submitted to Regulators earlier in 2018.

Out of the 56 projects on the 2019 CIP, MSD requests County Commissioner action on 32 through this legislation. The City of Cincinnati and MSD requests the County Commissioners to consider, approve, and appropriate a total of **\$66,877,407.00** for the following actions:

- (1) Approve, in general, the submitted 2019-2023 MSD CIP; and
- (2) Order the commencement of planning, design, and easement acquisition activities for **24** projects contained in the 2019 MSD CIP’s **Exhibit A** and appropriate **\$28,577,407.00** of the above-referenced \$66.9M for the same; and
- (3) Take all actions necessary for **seven** allowance (construction) projects contained in the 2019 MSD CIP’s **Exhibit B** and appropriate **\$28,300,000.00** of the above-referenced \$66.9M for the same.
- (4) Approve the use of MSD’s 2019 Programmatic Contingency and appropriate **\$10,000,000** of the above-referenced \$66.9M for the same.

The remaining 24 projects in the 2019 MSD CIP will be presented to Commissioners when they are ready to be considered and legislated for construction.

Finally, MSD notes for the Commissioners that this 2019 CIP budget is predicated upon Project ID 10270008, Dry Run Area Sewers, Phase 1, Contract 8 M and Project ID 10130042, Upper Muddy Creek Interceptor (UMCI) Replacement, Phase B, already submitted to the County for consideration, will be approved by the Commissioners in December 2018. Should the Commissioners choose not to approve these two projects, MSD’s 2019 capital budget recommendation will increase by more than \$15 million, plus contingency.

BACKGROUND DATA, SCHEDULES, AND BUDGET:

PRIOR LEGISLATION N/A

FUTURE LEGISLATION

- | | |
|---|---|
| <input type="checkbox"/> Approving detailed plans, specifications, and estimate of cost | <input type="checkbox"/> Necessity / Proceed Resolution |
| <input type="checkbox"/> Appropriating funds | <input type="checkbox"/> Advertise and bid |
| <input checked="" type="checkbox"/> OTHER: AS NECESSARY AND REQUIRED | |

BACKGROUND DATA, SCHEDULES, AND BUDGET (cont.):

CONSTRUCTION (EXHIBIT B)

PROPOSED START: January 2019

ANTICIPATED END: December 2019

FUNDING REQUEST

Total Estimated Cost:	\$133,537,184.00	(2019-2023 MSD CIP)
	\$66,877,407.00	(for Exhibits A, B, & PC in 2019 MSD CIP)
Current Request:	\$66,877,407.00	(for Exhibits A, B, & PC in 2019 MSD CIP)
Programmatic Contingency	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
